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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-935, C-570-936]

**Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China:
Continuation of Antidumping Duty Order and Countervailing Duty Order**

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: As a result of the determinations by the Department of Commerce (Commerce) and the U.S. International Trade Commission (ITC) that revocation of the antidumping duty (AD) order and countervailing duty (CVD) order on circular welded carbon quality steel line pipe (welded line pipe) from the People's Republic of China (China) would likely lead to a continuation or recurrence of dumping, countervailable subsidies, and material injury to an industry in the United States, Commerce is publishing a notice of continuation of the AD order and the CVD order.

DATES: Applicable **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

FOR FURTHER INFORMATION CONTACT: Thomas Hanna, AD/CVD Operations, Office IV (AD), and Kristen Johnson, AD/CVD Operations, Office III (CVD), Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0835 and (202) 482-4793, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 23, 2009, Commerce published in the *Federal Register* the CVD order on welded line pipe from China.¹ On May 13, 2009, Commerce published in the *Federal Register* the AD order on welded line pipe from China.² On April 1, 2019, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act), Commerce published the initiation of the second sunset reviews of the *Orders*³ and the ITC instituted its review of the *Orders*.⁴

On April 16 and 17, 2019, Commerce received notices of intent to participate in the sunset reviews from California Steel Industries, Inc., TMK IPSCO, Welspun Tubular LLC, and Zekelman Industries (collectively, the domestic interested parties) within the deadline specified in 19 CFR 351.218(d)(1)(i).⁵ The domestic interested parties claimed interested party status under section 771(9)(C) of the Act as manufacturers in the United States of the domestic like product.⁶

On April 30, 2019, Commerce received complete and adequate substantive responses from the domestic interested parties filed within the 30-day deadline specified in 19 CFR

¹ See *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Notice of Amended Final Affirmative Countervailing Duty Determination and Notice of Countervailing Duty Order*, 74 FR 4136 (January 23, 2009).

² See *Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Antidumping Duty Order*, 74 FR 22515 (May 13, 2009).

³ The AD order on welded line pipe from China and CVD order on welded line pipe from China are collectively referred to as the “*Orders*.”

⁴ See *Initiation of Five-Year (Sunset) Reviews*, 84 FR 12227 (April 1, 2019); see also *Circular Welded Carbon Quality Steel Line Pipe from China: Institution of Five-Year Reviews*, 84 FR 12285 (April 1, 2019).

⁵ See Domestic Interested Parties’ Letter, “Notice of Intent to Participate in Second Five-Year Review of the Antidumping Duty Order on Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China,” dated April 16, 2019 (Notice to Participate AD); see also Domestic Interested Parties’ Letter, “Notice of Intent to Participate in Second Five-Year Review of the Antidumping and Countervailing Duty Orders on Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China – Request for Extension of Deadline and Acceptance of Submission,” dated April 17, 2019 (Notice to Participate CVD); and Commerce’s Letter, “Sunset Review of Countervailing Duty Order on Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China: Acceptance of Notice of Intent to Participate,” dated April 18, 2019.

⁶ See Notice to Participate AD at 2; see also Notice to Participate CVD at 2.

351.218(d)(3)(i).⁷ Commerce received no substantive response from respondent interested parties. Pursuant to section 751(c)(3)(B) of the Act, Commerce conducted expedited (120-day) sunset reviews of the *Orders*.⁸ On July 5, 2019, the ITC determined to conduct an expedited five-year review of the *Orders*.⁹

As a result of its reviews, Commerce determined, pursuant to sections 751(c)(1) and 752(b) and (c) of the Act, that revocation of the *Orders* on welded line pipe from China would likely lead to continuation or recurrence of dumping or countervailable subsidies. Commerce, therefore, notified the ITC of the magnitude of the margins of dumping and net countervailable subsidy rates likely to prevail should these *Orders* be revoked, in accordance with sections 752(b)(3) and (c)(3) of the Act.¹⁰

On September 25, 2019, the ITC published its determination that revocation of the *Orders* would likely lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, pursuant to sections 751(c) and 752(a) of the Act.¹¹

⁷ See Domestic Interested Parties' Letter, "Second Five-Year Review of the Antidumping Duty Order on Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Substantive Response to Notice of Initiation," dated April 30, 2019; see also Domestic Interested Parties' Letter, "Second Five-Year Review of the Countervailing Duty Order on Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Substantive Response to Notice of Initiation," dated April 30, 2019.

⁸ See Commerce's Letter, "Sunset Review Initiated on April 1, 2019," dated May 23, 2019.

⁹ See *Circular Welded Carbon Quality Steel Line Pipe from China; Scheduling of Expedited Five-Year Review*, 84 FR 39861 (August 12, 2019).

¹⁰ See *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 84 FR 38215 (August 6, 2019); see also *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order*, 84 FR 38213 (August 6, 2019).

¹¹ See *Circular Welded Carbon Quality Steel Line Pipe from China; Determinations*, 84 FR 50473 (September 25, 2019); see also *Circular Welded Carbon Quality Steel Line Pipe from China: Investigation Nos. 701-TA-455 and 731-TA-1149 (Second Review)*, USITC Publication 4955 (September 2019).

Scope of the Orders

The merchandise covered by the orders is circular welded carbon quality steel pipe of a kind used for oil and gas pipelines (welded line pipe), not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling.

The term “carbon quality steel” includes both carbon steel and carbon steel mixed with small amounts of alloying elements that may exceed the individual weight limits for non-alloy steels imposed in the Harmonized Tariff Schedule of the United States (HTSUS). Specifically, the term “carbon quality” includes products in which (1) iron predominates by weight over each of the other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated:

- (i) 2.00 percent of manganese,
- (ii) 2.25 percent of silicon,
- (iii) 1.00 percent of copper,
- (iv) 0.50 percent of aluminum,
- (v) 1.25 percent of chromium,
- (vi) 0.30 percent of cobalt,
- (vii) 0.40 percent of lead,
- (viii) 1.25 percent of nickel,
- (ix) 0.30 percent of tungsten,
- (x) 0.012 percent of boron,
- (xi) 0.50 percent of molybdenum,
- (xii) 0.15 percent of niobium,
- (xiii) 0.41 percent of titanium,
- (xiv) 0.15 percent of vanadium, or
- (xv) 0.15 percent of zirconium.

Welded line pipe is normally produced to specifications published by the American Petroleum Institute (API) (or comparable foreign specifications) including API A-25, 5LA, 5LB, and X grades from 42 and above, and/or any other proprietary grades or non-graded material. Nevertheless, all pipe meeting the physical description set forth above that is of a kind used in oil

and gas pipelines, including all multiple-stenciled pipe with an API welded line pipe stencil is covered by the scope of the orders.

Excluded from the scope are pipes of a kind used for oil and gas pipelines that are multiple-stenciled to a standard and/or structural specification and have one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted surface finish; or has a threaded and/or coupled end finish. (The term “painted” does not include coatings to inhibit rust in transit, such as varnish, but includes coatings such as polyester.)

The welded line pipe products that are the subject of the orders are currently classifiable in the HTSUS under subheadings 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders is dispositive.

Continuation of the *Orders*

As a result of the determinations by Commerce and the ITC that revocation of the *Orders* would likely lead to a continuation or recurrence of dumping, countervailable subsidies, and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act and 19 CFR 351.218(a), Commerce hereby orders the continuation of the *Orders* on welded line pipe from China. U.S. Customs and Border Protection will continue to collect AD and CVD cash deposits at the rates in effect at the time of entry for all imports of subject merchandise.

The effective date of the continuation of the *Orders* will be the date of publication in the *Federal Register* of this notice of continuation. Pursuant to section 751(c)(2) of the Act and 19 CFR 351.218(c)(2), Commerce intends to initiate the next five-year (sunset) reviews of these *Orders* not later than 30 days prior to the fifth anniversary of the effective date of continuation.

Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to APO of their responsibility concerning the return, destruction, or conversion to judicial protective order of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO which may be subject to sanctions.

Notification to Interested Parties

These five-year sunset reviews and this notice are in accordance with section 751(c) of the Act and published pursuant to section 777(i)(1) of the Act and 19 CFR 351.218(f)(4).

Dated: September 25, 2019.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

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